

INITIAL STATEMENT OF REASONS

Section 1860.2. Definitions.

Specific Purpose of the Regulation

To set forth words and terms that are essential to these Subgroup 5.8 Regulations.

Need for the Regulation

It was necessary to define words and terms that are used throughout these Subgroup 5.8 Regulations in order to provide clarity for the Office of Public School Construction (OPSC) and school districts on program concepts and requirements. The proposed amendments expand the definition of "School District" by including community college districts that operate a preschool program on behalf of, or in lieu of, a school district or county office of education. This is in alignment with the statute. Two of the Program forms (SAB 70-01 and SAB 70-03) are being revised which changes the revision dates.

Section 1860.3. General.

To set forth general requirements that all school districts seeking Program funding must meet.

Need for the Regulation

It was necessary to inform school districts of the statute by which corresponding amendments are being made and set forth the General Fund appropriation for the expanded Program.

Section 1860.4. Funding Guidelines.

Specific Purpose of the Regulation

To provide general funding guidelines that apply to all school districts that participate in the Program.

Need for the Regulation

It was necessary to specify how the funding is being made available [subsection (c) is from the 2022/23 Budget Act and subsection (d) is from the 2023/24 Budget Act] and to set forth the date by which the funding must be encumbered (June 30, 2025 and June 30, 2026, respectively). Further, it was necessary to clarify that any funds returned prior to this date would be returned to the Program account, while funds returned after this date would be returned to the General Fund. The encumbered dates of June 30, 2025 and June 30, 2026 are subject to statute, specifically Government Code Sections 16304 and 16304.1.

Section 1860.5. Full-Day Kindergarten Program Eligibility Criteria.

Specific Purpose of the Regulation

To specify full-day kindergarten eligibility criteria that all school districts must meet in order to participate in the Program.

Need for the Regulation

It was necessary to inform school districts of the requirements that kindergarten classrooms must meet in order to ensure new construction and/or retrofit funding is used to construct classrooms that match Title 5 requirements. Classrooms must be constructed to be not less than 1,350 square feet, including restrooms, wet and dry areas, storage, and teacher preparation area. To ensure funding is provided for full-day kindergarten classrooms that can be repurposed if needed, the regulations require newly constructed and retrofitted classrooms to be 1,350 square feet, unless an exemption is provided by the California Department of Education (CDE). In no case may a classroom be less than 1,250 square feet.

Section 1860.5.1 Transitional Kindergarten Program Eligibility Criteria.

Specific Purpose of the Regulation

To specify transitional kindergarten criteria that all school districts must meet in order to participate in the Program.

Need for the Regulation

It was necessary to inform school districts of the requirements that transitional kindergarten classrooms must meet in order to ensure new construction and/or retrofit funding is used to construct classrooms that match Title 5 requirements. Classrooms must generally be constructed to be not less than 1,350 square feet, including restrooms, wet and dry areas, storage, and teacher preparation area. To ensure funding is provided for transitional kindergarten classrooms that can be repurposed if needed, the regulations require newly constructed and retrofitted classrooms to be 1,350 square feet, unless an exemption is provided by CDE. In no case may a classroom be less than 1,250 square feet.

Section 1860.6. Application Submittals.

Specific Purpose of the Regulation

To change the application submittal dates for the fourth funding round.

Need for the Regulation

It was necessary to inform school districts of the change for the dates for the fourth funding round in subsection (d) from April 1, 2023 and on or before April 30, 2023 to February 1, 2023 and on or before March 2, 2023. This change allows for additional time to review the applications received because there is \$100 million in General Fund appropriations from the 2022-23 Budget Act that has been for projects in this filing round. It was also necessary to add the word “be” in the last sentence in subsection (c) for purposes of proper grammar. This is considered a non-substantive change.

Section 1860.14. Hardship Assistance and Financial Hardship.

Specific Purpose of the Regulation

To correct financial hardship criteria for school districts applying for financial hardship.

Need for the Regulation

It was necessary to delete the language in subsection (a)(4) to correct the criteria for financial hardship for California Preschool, Transitional Kindergarten and Full-Day Kindergarten Facilities Grant Program (Program) projects. Other evidence of reasonable effort as approved by the State Allocation Board is not valid criteria for financial hardship in the Program, pursuant to Education Code Section 17375(b)(2)(A). However, "It is a County Superintendent of Schools" is one of the correct criteria. This is consistent with Education Code Section 17375(b)(2)(A).

Section 1860.15. Application Funding Criteria.

Specific Purpose of the Regulation

To include California community colleges in the application funding criteria.

Need for the Regulation

It was necessary to specify the methodology for providing preference points for California community colleges as part of the funding criteria for the calculation of preference points, as stipulated in Education Code Section 17375(b)(2). Statute states that priority for Program grants will be given to school districts that qualify for financial hardship and/or that have a high population of pupils who are eligible for Free and Reduced-Price School Meals (FRPM). It was also necessary to number the stand-alone sentence as (2) for purposes of reading continuity. This is considered a non-substantive change.

Section 1860.19. Project Savings and Unexpended Funds.

Specific Purpose of the Regulation

To specify the use of remaining Program funding after project completion.

Need for the Regulation

It was necessary to include "and 1860.3(c)" language in subsection (b) in order to provide specificity on how remaining program funding may be used after project completion for projects receiving funds from this funding source.

CALIFORNIA PRESCHOOL, TRANSITIONAL KINDERGARTEN AND FULL-DAY KINDERGARTEN FACILITIES GRANT PROGRAM FORMS

Application for Funding, Form SAB 70-01 (Rev. 09/22).

Specific Purpose of the Form

To provide additional instructions to school districts when using this Form.

Need for the Form

It was necessary to inform school district of additional instruction when applying for Program funding. OPSC uses this Form to collect information necessary to calculate the amount of grants applicable to the project and to determine project funding order. The additional bullets on page 1, under "Specific Instructions" #1.a. A New Construction Grant, and #1.c. A Retrofit Grant

are necessary as the SAB requires these documents to support the funding of the projects and the documentation helps to efficiently administer the Program. On page 2, #2. School Site Enrollment Data, 5th and 7th sentences, it was necessary to add the “T” before K-12 and the “P” before K-12 as a reference to Transitional Kindergarten and PreK (preschool).

Expenditure Report, Form SAB 70-03 (Rev. 09/22).

Specific Purpose of the Form

To provide additional instructions to school districts when using this Form.

Need for the Form

It was necessary to inform school districts of additional instructions when this Form has been completed. The language on page 1, 2nd column, last sentence “through OPSC Online or to” was added to inform applicants that document submittals could be submitted electronically through the OPSC Online system. This is a very direct and efficient way to submit documentation. On page 2, #4., the fourth bullet was struck out and relocated as the last bullet.

Anticipated Benefits and Economic Impact of the Proposed Regulations

There are benefits associated with the proposed amendments. School districts will benefit in order to provide kindergarten classrooms if they lack the facilities to operate full-day transitional kindergarten and full-day kindergarten programs. School districts, county offices of education, and community colleges will also benefit in order to build new or expand existing classrooms to house full-day California state preschool programs. In addition, the State of California will benefit from the proposed regulations as the regulations may generate the need for school construction-related industries to expand their businesses, or in some cases may create new businesses, based on the demand on these industries when general fund dollars are released to school districts, county offices of education, and community colleges to complete their projects.

The proposed regulations promote fairness and/or social equity by providing one-time general fund funding to those school districts, county offices of education, and/or California community colleges that may be able to construct new facilities or retrofit existing facilities in an effort to provide California preschool, transitional kindergarten and full-day kindergarten programs.

The proposed regulations are therefore determined to be consistent and compatible with existing State laws and regulations. As stated above, OPSC performed a search on whether the proposed regulations were consistent and compatible with existing State laws and regulations. After performing the search, OPSC, on behalf of the SAB, has determined that AB 181, Chapter 52, Statutes of 2022, [the Committee on Budget. Education Finance: Education Omnibus Budget Trailer Bill], was created to expand, clarify, and make modifications to the existing Program. There are no other programs or regulations in existence that provide one-time grants to school districts, or include California community colleges, for the purposes of constructing new school facilities or retrofitting existing school facilities in order to house full-day California preschool, full-day transitional kindergarten and full-day kindergarten programs. Proceeding with the implementation of the proposed regulatory amendments and the two associated forms will enhance applicants’ awareness when partnering with the State while defining the responsibilities of funding applicant projects. This will ensure program oversight and expenditure accountability.

The proposed regulations and the two associated forms may have a positive impact to various business, manufacturing, and construction-related industries such as architecture, engineering, trades and municipalities, along with the creation of an unknown number of jobs. In addition, the proposed regulations may also provide a positive impact on the creation of jobs, the creation of new businesses, and the expansion of businesses in California. It is not anticipated that the proposed regulations will result in the elimination of existing businesses or jobs within California.

Technical Documents Relied Upon

The State Allocation Board's Action item, dated September 21, 2022, entitled "REPORT OF THE EXECUTIVE OFFICER, Proposed Amendments to the California Preschool, Transitional Kindergarten and Full-Day Kindergarten Facilities Grant Program."

Alternatives to the Proposed Regulatory Action that would be as Effective and Less Burdensome to Private Persons

The SAB finds that no alternatives it has considered would be more effective in carrying out the purpose of the proposed regulations or would be as effective and less burdensome to affected private persons than the proposed regulations or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law. No alternatives were considered. Statute requires the implementation of this Program through regulations. If no regulations, the SAB would be in violation of the statute.

Alternatives to the Proposed Regulatory Action that would Lessen any Adverse Economic Impact on Small Business

The SAB has determined that the proposed regulations will not have a negative impact on small businesses.

Finding of Significant Adverse Economic Impact on Businesses

The SAB has determined that the adoption of the proposed regulations will not have a negative economic impact on businesses/small businesses because they are not required to directly comply with or enforce the regulation, nor will they be disadvantaged by the regulations. In fact, the demand on the manufacturing and construction-related industries could potentially stimulate the creation of businesses/small businesses in these areas.

Impact on Local Agencies or School Districts

The SAB has determined that the proposed regulations do not impose a mandate or a mandate requiring reimbursement by the State pursuant to Part 7 (commencing with Section 17500) of Division 4 of the Government Code. It will not require school districts to incur additional costs in order to comply with the proposed regulations.

Office of Administrative Law Regulations, Title 1, Section 20(c)(1)

Because the State Allocation Board's California Preschool, Transitional Kindergarten and Full-Day Kindergarten Facilities Grant Program Forms are cumbersome documents, it would be unduly expensive and otherwise impractical to publish the Forms in the California Code of

Regulations. Therefore, it is not necessary to publish the Forms in the California Code of Regulations.

Office of Administrative Law Regulations, Title 1, Section 20(c)(2)

The State Allocation Board's California Preschool, Transitional Kindergarten and Full-Day Kindergarten Facilities Grant Program Forms are made available upon request and through our website and continue to be made available upon request and through our website.

ECONOMIC IMPACT ASSESSMENT OF REGULATIONS

“Proposed Amendments to the California Preschool, Transitional Kindergarten and Full-Day Kindergarten Facilities Grant Program”

Proposed State Allocation Board Regulations

At its meeting on September 21, 2022, the State Allocation Board (SAB) adopted on an emergency basis proposed regulatory amendments, as well as amendments to two associated forms. Initially, the [California Preschool, Transitional Kindergarten and] Full-Day Kindergarten Facilities Grant Program (Program) was created through AB 1808, Chapter 32, Statutes of 2018, and included a one-time General Fund appropriation in the amount of \$100 million for the sole purpose of providing full-day kindergarten classrooms. Since that time, however, several bills became law that appropriated, rescinded, and re-appropriated general fund dollars. The latest bill, AB 181, Chapter 52, Statutes of 2022, was signed by the Governor on June 30, 2022, and made \$100 million from the General Fund available to the SAB for apportioning one-time grants to school districts that lack the facilities to provide full-day California preschool, transitional kindergarten and kindergarten programs. In addition to the \$100 million, the Legislature has declared its intent to appropriate an additional \$550 million from the General Fund in the 2023/24 fiscal year to the SAB for the same purposes. The bill allows California community colleges to apply for one-time grants for preschool classrooms provided they meet the eligibility criteria.

Funds Impacted

- General Fund appropriation in the amount of \$100 million for the 2022/2023 fiscal year.

Background and Problem Being Resolved

As mentioned above, AB 1808, Chapter 32, Statutes of 2018 [Committee on Budget. Education Finance: education omnibus trailer bill] was originally signed by the Governor on June 27, 2018 and included a one-time General Fund appropriation in the amount of \$100 million for the sole purpose of providing full-day kindergarten classrooms. On July 1, 2019, the Governor signed Senate Bill (SB) 75, Chapter 51, Statutes of 2019, into law [the Education Finance: Education Omnibus Trailer Bill]. This bill appropriated an additional \$300 million from the General Fund to the SAB for the 2019/20 fiscal year. School districts that wished to convert part-day kindergarten programs to full-day kindergarten programs, and for those school districts lacking the facilities to provide full-day kindergarten instruction could apply for these one-time grants to construct new school facilities or retrofit existing school facilities. On June 29, 2020, the Governor signed SB 98, Chapter 24, Statutes of 2020, which rescinded the \$300 million in additional program funding previously appropriated in SB 75 but maintained Program provisions such as the local matching share for school districts that were converting from a part-day program to a full-day program and allowed school districts to retain project savings. AB 130, Chapter 44, Statutes of 2021, provided \$490 million from the General Fund for the 2021/22 fiscal year to the SAB to provide one-time grants. School districts that lacked the facilities to provide full-day California preschool, full-day transitional kindergarten, and/or full-day kindergarten programs could apply for these one-time grants to construct new school facilities and retrofit existing school facilities. The latest bill, AB 181, Chapter 52, Statutes of 2022, provides \$100 million in the 2022/23 fiscal year to the SAB to continue providing one-time grants for the construction of new school facilities and the retrofitting of existing school facilities for preschool, transitional kindergarten, and kindergarten pupils in full-day programs. It is the Legislature’s intent to appropriate an

additional \$550 million from the General Fund in the 2023/24 fiscal year for the same one-time purposes. The bill also expands the Program to allow California community colleges to apply for one-time grants for preschool classrooms provided they meet the eligibility criteria.

The problem being resolved is not a problem, but rather a funding opportunity in which the Program expands to community colleges to construct new classrooms or retrofit existing classrooms to house full-day California state preschool programs. In addition to the new Program funding, there are clarifications to Program requirements for the inclusion of community colleges, as well as changes to the dates for the fourth filing round. Beginning February 1, 2023 through March 2, 2023 applicants will be able to submit applications for the Program. OPSC and the California Department of Education (CDE) will work collaboratively, on a project-by-project basis, to determine if an application should be limited to a retrofit project, or whether the applicant can choose between funding to retrofit existing facilities or to build new facilities. This will ensure a prudent use of general fund dollars, integrity of school projects, and prevents the funding from being expended to unnecessarily construct new classrooms.

OPSC performed a search on whether the proposed regulatory amendments are consistent and compatible with existing State laws and regulations. After performing the search, OPSC, on behalf of the SAB, has determined that AB 181, Chapter 52, Statutes of 2022, [the Committee on Budget: Education Finance: Education Omnibus Budget Trailer Bill], was created to expand, clarify, and make modifications to the existing Program. There are no other programs or regulations in existence that provide one-time grants to school districts, or include California community colleges, for the purposes of constructing new school facilities or retrofitting existing school facilities in order to house full-day California preschool, full-day transitional kindergarten and full-day kindergarten programs. Therefore, the proposed regulatory amendments are determined to be consistent and compatible with existing State laws and regulations. Proceeding with the implementation of the proposed regulatory amendments and the two associated forms will enhance applicants' awareness when partnering with the State and will help to maintain Program integrity. This will also ensure program oversight and expenditure accountability.

Description of Regulations to Implement Law

A summary of the proposed regulatory amendments, including the two associated forms, are as follows:

Existing Regulation Section 1860.2 represents a set of defined words and terms used exclusively for these regulations. These definitions provide clarity to OPSC and school districts on program concepts and requirements. The proposed amendments expand the definition of "School District" by including community college districts that operate a preschool program on behalf of, or in lieu of, a school district or county office of education. This is in alignment with the statute. Two of the Program forms (SAB 70-01 and SAB 70-03) are being revised which changes the revision dates.

Existing Regulation Section 1860.3 sets forth general requirements that all school districts seeking program funding must meet. Specifically, participating school districts are required to complete and file with OPSC the Form SAB 70-01, *Application for Funding*, (which is incorporated by reference), and all required documents as identified in the Specific Instructions section of the Form SAB 70-01. The proposed amendments set forth the statute by which these amendments are being made and sets forth the General Fund appropriation for the expanded Program.

Existing Regulation Section 1860.4 provides general funding guidelines for the program that apply to all applicants that participate in the program. The proposed amendments specify where the funding is being made available [subsection (c) is for the 2022/23 Budget Act and subsection (d) is for the 2023/24 Budget Act] and sets forth the date by which the funding must be encumbered (June 30, 2025 and June 30, 2026, respectively). It is further clarified that any funds returned prior to this date will be returned to the program account, while funds returned after this date will be returned to the General Fund. The encumbered dates of June 30, 2025 and June 30, 2026 are subject to statute, specifically Government Code Sections 16304 and 16304.1.

Existing Regulation Section 1860.5 sets forth eligibility criteria that school districts must meet in order to apply for full-day kindergarten program funding. The proposed amendments set forth requirements that kindergarten classrooms must meet in order to ensure new construction and/or retrofit funding is used to construct classrooms that match Title 5 requirements. To ensure funding is provided for full-day kindergarten classrooms that can be repurposed if needed, the regulations require newly constructed and retrofitted classrooms to be 1,350 square feet, unless an exemption is provided by CDE. In no case may a classroom be less than 1,250 square feet.

Existing Regulation Section 1860.5.1 sets forth eligibility criteria that school districts must meet in order to apply for transitional kindergarten program funding. The proposed amendments set forth requirements that kindergarten classrooms must meet in order to ensure new construction and/or retrofit funding is used to construct classrooms that match Title 5 requirements. To ensure funding is provided for transitional kindergarten classrooms that can be repurposed if needed, the regulations require newly constructed and retrofitted classrooms to be 1,350 square feet, unless an exemption is provided by CDE. In no case may a classroom be less than 1,250 square feet.

Existing Regulation Section 1860.6 sets forth the application submittal process, which established two 30-calendar day funding rounds for school districts to request apportionments of available program funds. The proposed amendments change the fourth funding round in subsection (d) from April 1, 2023 and on or before April 30, 2023 to February 1, 2023 and on or before March 2, 2023. This change allows for additional time to review the applications received because there is \$100 million in General Fund allocations from the 2022/23 Budget Act that will have been appropriated to projects in this filing round.

Existing Regulation Section 1860.14 sets forth criteria for school districts applying for financial hardship, as allowed in Education Code Section 17375(b)(2)(A). If a school district is unable to meet the financial requirements for either all or a portion to match their share of the project with the state and can prove a financial hardship, then they may qualify for hardship assistance pursuant to Education Code Section 17075.10. This Section is identical to the financial hardship provisions as defined in the SFP Regulations. OPSC will review financial records of the school district to determine if the school district qualifies for financial hardship. The analysis will include all capital facility accounts, including but not limited to developer fees, Certificates of Participation, federal grants, bond funds either encumbered, unencumbered or authorized but not sold, etc. Any funds that have not been encumbered, either through contracts or otherwise, will be considered available funds for the matching share. The proposed amendment deletes the language in subsection (a)(4) that allows school districts to request financial hardship using "other evidence" as approved by the SAB and adds County Superintendent of Schools to qualify automatically for financial hardship status. This is consistent with Education Code Section 17375(b)(2)(A).

Existing Regulation Section 1860.15 specifies that if the number of Approved Applications received exceeds the funding available for the funding round, then the funding priority will be based on a school district's preference points. Education Code Section 17375(b)(2) states that priority for Program grants will be given to school districts that qualify for financial hardship and/or that have a high population of pupils who are eligible for Free and Reduced Price School Meals (FRPM). This Section creates a system of preference points in order to determine project funding order. A maximum of 80 preference points may be earned in each funding round for each school district. A school district's preference points will be calculated into two categories. Based on a sliding scale currently used in the SFP for the Charter School Facilities Program, a sliding scale was created to determine the percentage of students a school district has eligible for FRPM. Points begin at four points for 60-65 percent of students eligible for FRMP, while 40 points will be earned if 100 percent of students within the school district qualify for FRPM. If a school district has been qualified for financial hardship by OPSC and is unable to contribute a portion or all of its matching share, the school district earns 40 points. The proposed amendments in subsection (b)(1) adds community colleges as part of the funding criteria for the calculation of preference points. This is in alignment with the statute. The stand-alone sentence under subsection (b)(1) has been numbered as (2). This is considered a non-substantive change.

Existing Regulation Section 1860.19 specifies how remaining funding may be used after project completion. Project savings and unexpended funds are different types of remaining funds from Program projects. School districts that are not financial hardship are able to expend their project savings, including interest, that are not needed for the Program project on other high priority capital facility needs of the school district. Any savings not expended within one year of project completion must be returned to the State. School districts that are financial hardship that have any unexpended funds from the Program project, that were not spent on eligible expenditures, and the project was funded from the funding in Section 1860.3(a), must be returned to the State upon completion of the project. Any interest earned on State funds for financial hardship grant funding that is not expended on eligible project expenditures must also be returned to the State to help reduce the financial hardship contribution for that project. A school district is only required to return unexpended funds up to the amount of the financial hardship grant provided by the SAB. The proposed amendment provides that all projects receiving funding under Section 1860.3(b) and 1860.3(c) are not required to return savings, including interest earned on State funds, if expended or encumbered for professional development or instructional materials to build capacity for the implementation of a California State preschool program, transitional kindergarten program, a full-day kindergarten program, or high priority capital outlay purposes identified by the school district.

Existing Form SAB 70-01, *Application for Funding*, (which is incorporated by reference) is used by school districts to apply for program funding. The form also serves as a certification from the district regarding compliance with requirements of the law and Program Regulations. School districts must submit this form during the funding rounds described in Regulation Section 1860.6. OPSC will use this form in order to collect the information necessary to calculate the amount of grants applicable to the project and to determine project funding order. The proposed amendments: 1) page 1, under "Specific Instructions" #1.a. A New Construction Grant, fourth and fifth (new) bullets, as well as #1.c. A Retrofit Grant, fourth and fifth (new) bullets are being added as these are documents the SAB requires in order to support the funding of projects and to efficiently administer the Program; and 2) page 2, #2. School Site Enrollment Data, 5th and 7th sentences: adding the "T" before K-12 and the "P" before K-12 refers to Transitional Kindergarten and PreK (preschool).

Existing Form SAB 70-03, *Expenditure Report*, (which is incorporated by reference) is used by school districts to report their project savings and unexpended funds. Expenditure reports must

be submitted within one year of final fund release or at the completion of the Program project. A final savings report must be submitted within one year of the completion of the project. Financial hardship projects must submit their unexpended funds at the completion of their project. OPSC will use the information provided on this form to ensure that expenditures made by the school districts for Program projects comply with statute and other applicable State requirements pertaining to construction. The proposed amendments: 1) page 1, 2nd column, last sentence "through OPSC Online or to" was added to inform applicants that document submittals could be submitted electronically through the OPSC Online system; and 2) page 2, #4. the fourth bullet was struck out and relocated as the last bullet.

After conducting a review, the SAB has concluded that these are the only regulations on this subject area (construction of and/or retrofit of existing school facilities for the sole purpose of providing preschool, transitional kindergarten and kindergarten classrooms), and therefore, the proposed regulations are neither inconsistent nor incompatible with existing State laws and regulations. The proposed regulations are within the SAB's authority to enact regulations for the Program under Education Code Section 17375(h) and Government Code Section 15503.

Anticipated Benefits of the Proposed Regulations

There are benefits associated with the proposed amendments. School districts will benefit in order to provide kindergarten classrooms if they lack the facilities to operate full-day transitional kindergarten and full-day kindergarten programs. School districts, county offices of education, and community colleges will also benefit in order to build new or expand existing classrooms to house full-day California state preschool programs. In addition, the State of California will benefit from the proposed regulations as the regulations may generate the need for school construction-related industries to expand their businesses, or in some cases may create new businesses, based on the demand on these industries when general fund dollars are released to school districts, county offices of education, and community colleges to complete their projects.

The proposed regulations are therefore determined to be consistent and compatible with existing State laws and regulations. As stated above, OPSC performed a search on whether the proposed regulations were consistent and compatible with existing State laws and regulations. After performing the search, OPSC, on behalf of the SAB, has determined that AB 181, Chapter 52, Statutes of 2022, [the Committee on Budget. Education Finance: Education Omnibus Budget Trailer Bill], was created to expand, clarify, and make modifications to the existing Program. There are no other programs or regulations in existence that provide one-time grants to school districts, or include California community colleges, for the purposes of constructing new school facilities or retrofitting existing school facilities in order to house full-day California preschool, full-day transitional kindergarten and full-day kindergarten programs. Proceeding with the implementation of the proposed regulatory amendments and the two associated forms will enhance applicants' awareness when partnering with the State while defining the responsibilities of funding applicant projects. This will ensure program oversight and expenditure accountability.

The proposed regulations and the two associated forms will not have a negative impact to various business, manufacturing, and construction-related industries such as architecture, engineering, trades and municipalities. In addition, the proposed regulations will not impact the creation of jobs, the creation of new businesses, and the expansion of businesses in California. It is not anticipated that the proposed regulations will result in the elimination of existing businesses or jobs within California.

Statutory Authority and Implementation

Education Code Section 17375(h). The State Allocation Board may adopt regulations to implement this section. Any regulations adopted pursuant to this section may be adopted as emergency regulations in accordance with the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of the Title 2 of the Government Code). The adoption of these regulations shall be deemed to be an emergency and necessary for the immediate preservation of the public peace, health and safety, or general welfare.

Government Code Section 15503. Whenever the board is required to make allocations or apportionments under this part, it shall prescribe rules and regulations for the administration of, and not inconsistent with, the act making the appropriation of funds to be allocated or apportioned. The board shall require the procedure, forms, and the submission of any information it may deem necessary or appropriate. Unless otherwise provided in the appropriation act, the board may require that applications for allocations or apportionments be submitted to it for approval.

Impact to California Businesses and Jobs

The proposed regulations expand the Program to not only include California preschool and transitional kindergarten classrooms in addition to full-day kindergarten classrooms but allows California community colleges to apply for one-time grants for preschool classrooms provided they meet the eligibility criteria. School districts benefit in order to provide kindergarten classrooms if they lack the facilities to operate full-day transitional kindergarten and full-day kindergarten programs. School districts and county offices of education benefit in order to build new or expand existing classrooms to house full-day California state preschool programs. Additionally, the proposed regulations may generate the need for school construction-related industries to expand their businesses, or in some cases may create new businesses, based on the demand on these industries when general fund dollars are released to school districts and county offices of education to complete their projects.

The proposed regulations and the two associated forms may have a positive impact to various business, manufacturing, and construction-related industries such as architecture, engineering, trades and municipalities. In addition, the proposed regulations may have a positive impact on the creation of jobs, the creation of new businesses, and the expansion of businesses in California. It is not anticipated that the proposed regulations will result in the elimination of existing businesses or jobs within California.

Benefits to Public Health and Welfare, Worker's Safety, and the State's Environment

- The proposed regulations promote fairness and/or social equity by providing general fund dollars to those school districts, county offices of education and California community colleges that may be able to construct new facilities or retrofit existing facilities in an effort to provide preschool, transitional kindergarten and/or full-day kindergarten programs.
- The State of California will benefit because its inventory of school facilities will increase due to the expansion of the Program to include California community colleges.
- There are benefits to health, safety, and welfare of California residents (school children and school faculty) because California preschool, transitional kindergarten and kindergarten facilities would be built stronger and safer. There are continued benefits to the health and welfare of California residents and worker safety. School districts utilize construction and trades employees to work on school construction projects and although

the proposed regulations would not directly impact worker's safety, existing law provides for the availability of a skilled labor force. Further, public health and safety would be enhanced because a properly paid and trained workforce will build school construction projects that are higher quality, structurally code-compliant and safer for use by pupils, staff, and other occupants on the site.

- There is no impact to the State's environment from the proposed regulations.

The SAB finds the proposed regulations fully consistent with the stated purposes and benefits.